

Requirements for Condominium Conversion

1. Limited Site Plan Review

- A. Submit three sets of plans as described below with the applicable fee (see Page 2 for Condominium Conversion Requests Fee Schedule).
- B. Up-dated survey for the entire property (signed and sealed).
- C. Complete site plan with all improvements including: parking layout, zoning data, site tabulations with number of units, square footage of each unit or commercial/industrial spaces, lot coverage, etc.
- D. Full landscaping site plan complying with Miami-Dade County's landscaping ordinance and manual, full landscaping tabulations with species, planting size, caliper, etc.
- E. Mitigation at administrative level is allowed for landscaping requirements only in cases where it is physically impossible to comply with the planning requirements.

2. Additional Site Plan Procedure

After Planning and Zoning Division review, if applicable, plans shall be taken to the following departments for approval:

1. Streets Division at 5601 E 8 AVE, Hialeah, FL., (305) 687-2611. Plans must be reviewed and signed by a department representative.

- 2. Solid Waste Division at 5601 E 8 AVE, Hialeah, FL., (305) 687-2617. Plans must be reviewed and signed by a department representative.
- 3. Fire Department at 83 E 5 ST, 2nd Floor, Hialeah, FL. (305) 883-6900, for Fire Marshall's review and approval.
- 4. Return to the Planning Division at 501 Palm Avenue, 2nd Floor, Hialeah, FL., (305) 883-8075 for final approval.

3. Permits

Submit plans for building permit at Hialeah's Building Division for site improvements such as paving, re-stripping, landscaping, etc. The issuance of any and all municipal permits necessary to effectuate the foregoing landscaping and parking improvements are subject to compliance with applicable permitting regulations; including, but not limited to, compliance with regulations established and/or enforced by the City's Building Department, Fire Department, and Streets Division.

If you need any additional information on this matter, please contact the Planning and Zoning Division at (305) 883-8075.

Fee Schedule for Condominium Conversion Requests

Number of Units	Fee
0-10 units	\$50.00
11-50 units	\$100.00
51-100 units	\$200.00
101-200 units	\$500.00
200 or more units	\$1,000.00

Attachments: 2007 Florida Statutes 718.616 and 718.618

718.616. Disclosure of condition of building and estimated replacement costs and notification of municipalities.

- (1) Each developer of a residential condominium created by converting existing, previously occupied improvements to such form of ownership shall prepare a report that discloses the condition of the improvements and the condition of certain components and their current estimated replacement costs as of the date of the report.
- (2) The following information shall be stated concerning the improvements:
- (a) The date and type of construction.
- (b) The prior use.
- (c) Whether there is termite damage or infestation and whether the termite damage or infestation, if any, has been properly treated. The statement shall be substantiated by including, as an exhibit, an inspection report by a certified pest control operator.
- (3)(a) Disclosure of condition shall be made for each of the following components that the existing improvements may include:
- 1. Roof.
- 2. Structure.
- 3. Fire protection systems.
- 4. Elevators.
- 5. Heating and cooling systems.
- 6. Plumbing.
- 7. Electrical systems.
- 8. Swimming pool.
- 9. Seawalls, pilings, and docks.
- 10. Pavement and concrete, including roadways, walkways, and parking areas.
- 11. Drainage systems.
- 12. Irrigation systems.
- (b) For each component, the following information shall be disclosed and substantiated by attaching a copy of a certificate under seal of an architect or engineer authorized to practice in this state:
- 1. The age of the component as of the date of the report.
- 2. The estimated remaining useful life of the component as of the date of the report.
- 3. The estimated current replacement cost of the component as of the date of the report, expressed:
- a. As a total amount; and
- b. As a per-unit amount, based upon each unit's proportional share of the common expenses.

- 4. The structural and functional soundness of the component.
- (c) Each unit owner and the association are third-party beneficiaries of the report.
- (d) A supplemental report shall be prepared for any structure or component that is renovated or repaired after completion of the original report and prior to the recording of the declaration of condominium. If the declaration is not recorded within 1 year after the date of the original report, the developer shall update the report annually prior to recording the declaration of condominium.
- (e) The report may not contain representations on behalf of the development concerning future improvements or repairs and must be limited to the current condition of the improvements.
- (4) If the proposed condominium is situated within a municipality, the disclosure shall include a letter from the municipality acknowledging that the municipality has been notified of the proposed creation of a residential condominium by conversion of existing, previously occupied improvements and, in any county, as defined in s. 125.011(1), acknowledging compliance with applicable zoning requirements as determined by the municipality.

718.618 Converter reserve accounts; warranties.--

- (1) When existing improvements are converted to ownership as a residential condominium, the developer shall establish converter reserve accounts for capital expenditures and deferred maintenance, or give warranties as provided by subsection (6), or post a surety bond as provided by subsection (7). The developer shall fund the converter reserve accounts in amounts calculated as follows:
- (a)1. When the existing improvements include an air-conditioning system serving more than one unit or property which the association is responsible to repair, maintain, or replace, the developer shall fund an air-conditioning reserve account. The amount of the reserve account shall be the product of the estimated current replacement cost of the system, as disclosed and substantiated pursuant to s. 718.616(3)(b), multiplied by a fraction, the numerator of which shall be the lesser of the age of the system in years or 9, and the denominator of which shall be 10. When such air-conditioning system is within 1,000 yards of the seacoast, the numerator shall be the lesser of the age of the system in years or 3, and the denominator shall be 4.
- 2. The developer shall fund a plumbing reserve account. The amount of the funding shall be the product of the estimated current replacement cost of the plumbing component, as disclosed and substantiated pursuant to s. <u>718.616(3)(b)</u>, multiplied by a fraction, the numerator of which shall be the lesser of the age of the plumbing in years or 36, and the denominator of which shall be 40.
- 3. The developer shall fund a roof reserve account. The amount of the funding shall be the product of the estimated current replacement cost of the roofing component, as disclosed and substantiated pursuant to s. <u>718.616(3)(b)</u>, multiplied by a fraction, the numerator of which shall be the lesser of the age of the roof in years or the numerator listed in the following table. The denominator of the fraction shall be determined based on the roof type, as follows:

	Roof Type	Numerator	Denominator
a.	Built-up roof without insulation	4	5
b.	Built-up roof with insulation	4	5
c.	Cement tile roof	45	50
d.	Asphalt shingle roof	14	15
e.	Copper roof		
f.	Wood shingle roof	9	10
g.	All other types	18	20

- (b) The age of any component or structure for which the developer is required to fund a reserve account shall be measured in years, rounded to the nearest whole year. The amount of converter reserves to be funded by the developer for each structure or component shall be based on the age of the structure or component as disclosed in the inspection report. The architect or engineer shall determine the age of the component from the later of:
- 1. The date when the component or structure was replaced or substantially renewed, if the replacement or renewal of the component at least met the requirements of the then-applicable building code; or
- 2. The date when the installation or construction of the existing component or structure was completed.
- (c) When the age of a component or structure is to be measured from the date of replacement or renewal, the developer shall provide the division with a certificate, under the seal of an architect or engineer authorized to practice in this state, verifying:
- 1. The date of the replacement or renewal; and
- 2. That the replacement or renewal at least met the requirements of the then-applicable building code.
- (d) In addition to establishing the reserve accounts specified above, the developer shall establish those other reserve accounts required by s. $\frac{718.112}{2}(2)(f)$, and shall fund those accounts in accordance with the formula provided therein. The vote to waive or reduce the funding or reserves required by s. $\frac{718.112}{2}(2)(f)$ does not affect or negate the obligations arising under this section.
- (2)(a) The developer shall fund the reserve account required by subsection (1), on a pro rata basis upon the sale of each unit. The developer shall deposit in the reserve account not less than a percentage of the total amount to be deposited in the reserve account equal to the percentage of ownership of the common elements allocable to the unit sold. When a developer deposits amounts in excess of the minimum reserve account funding, later deposits may be reduced to the extent of the excess funding. For the purposes of this subsection, a unit is considered sold when a fee interest in the unit is transferred to a third party or the unit is leased for a period in excess of 5 years.
- (b) When an association makes an expenditure of converter reserve account funds before the developer has sold all units, the developer shall make a deposit in the reserve account. Such deposit shall be at least equal to that portion of the expenditure which would be charged against the reserve account deposit that would have been made for any such unit had the unit been sold. Such deposit may be reduced to the extent the developer has funded the reserve account in excess of the minimum reserve account funding required by this subsection. This paragraph applies only when the developer has funded reserve accounts as provided by paragraph (a).
- (3) The use of reserve account funds, as provided in this section, is limited as follows:
- (a) Reserve account funds may be spent prior to the assumption of control of the association by unit owners other than the developer; and
- (b) Reserve account funds may be expended only for repair or replacement of the specific components for which the funds were deposited, unless, after assumption of control of the association by unit owners other than the developer, it is determined by three-fourths of the voting interests in the condominium to expend the funds for other purposes.
- (4) The developer shall establish the reserve account, as provided in this section, in the name of the association at a bank, savings and loan association, or trust company located in this state.
- (5) A developer may establish and fund additional converter reserve accounts. The amount of funding shall be the product of the estimated current replacement cost of a component, as disclosed and substantiated pursuant to s. <u>718.616(3)(b)</u>, multiplied by a fraction, the numerator of which is the age of the component in years and the denominator of which is the total estimated life of the component in years.

- (6) A developer makes no implied warranties when existing improvements are converted to ownership as a residential condominium and reserve accounts are funded in accordance with this section. As an alternative to establishing such reserve accounts, or when a developer fails to establish the reserve accounts in accordance with this section, the developer shall be deemed to have granted to the purchaser of each unit an implied warranty of fitness and merchantability for the purposes or uses intended. The warranty shall be for a period beginning with the notice of intended conversion and continuing for 3 years thereafter, or the recording of the declaration to condominium and continuing for 3 years thereafter, or 1 year after owners other than the developer obtain control of the association, whichever occurs last, but in no event more than 5 years.
- (a) The warranty provided for in this section is conditioned upon routine maintenance being performed, unless the maintenance is an obligation of the developer or a developer-controlled association.
- (b) The warranty shall inure to the benefit of each owner and successor owner.
- (c) Existing improvements converted to residential condominium may be covered by an insured warranty program underwritten by an insurance company authorized to do business in this state, if such warranty program meets the minimum requirements of this chapter. To the degree that the warranty program does not meet the minimum requirements of this chapter, such requirements shall apply.
- (7) When a developer desires to post a surety bond, the developer shall, after notification to the buyer, acquire a surety bond issued by a company licensed to do business in this state, if such a bond is readily available in the open market, in an amount which would be equal to the total amount of all reserve accounts required under subsection (1), payable to the association.
- (8) The amended provisions of this section do not affect a conversion of existing improvements when a developer has filed a notice of intended conversion and the documents required by s. <u>718.503</u> or s. <u>718.504</u>, as applicable, with the division prior to the effective date of this law, provided:
- (a) The documents are proper for filing purposes.
- (b) The developer, not later than 6 months after such filing:
- 1. Records a declaration for such filing in accordance with part I.
- 2. Gives a notice of intended conversion.
- (9) This section applies only to the conversion of existing improvements where construction of the improvement was commenced prior to its designation by the developer as a condominium. In such circumstances, s. <u>718.203</u> does not apply.
- (10) A developer who sells a condominium parcel that is subject to this part shall disclose in conspicuous type in the contract of sale whether the developer has established converter reserve accounts, provided a warranty of fitness and merchantability, or posted a surety bond for purposes of complying with this section.